What Makes a Great NextGen Leader?

A company's leadership pipeline is expected to deliver its "next generation" of leaders who are capable of leading now. The payoff is a supply of leadership talent that simultaneously achieves targets, strengthens and protects ethical reputation, and navigates transformational change in pursuit of a bright, competitive future. It is evident that conventional leadership development practices are no longer adequate. Organizations globally need to incorporate the next generation leadership competencies in order to address the development needs of their rising leaders. This expanded group of upcoming leaders need to have a broader skillset, one that equips them to think and act globally in a VUCA business environment.
—Prof Sattar Bawany (2016),

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Prof Sattar Bawany is the CEO of the Centre for Executive Education (CEE). He is also concurrently the Regional Managing Director & C-Suite Master Executive Coach of Executive Development Associates (EDA) in Asia Pacific. He is also the Adjunct Professor of Leadership and member of the Advisory Board of the Curtin Graduate School of Business (CGSB) of Curtin University, Australia.
Email: sattar.bawany@cee-global.com
Website: www.cee-global.com
LinkedIn: www.linkedin.com/in/bawany

Abstract: Developing the next generation (nextgen) of leaders involves building a sustainable leadership pipeline for the organization so as to ensure its continued success in the Fourth Industrial Revolution or industry 4.0 (IR 4.0) as it is commonly known. The IR 4.0 represents the combination of cyber-physical systems, the Internet of Things, and the Internet of Systems. Today, research has shown the importance of several leadership competencies that have been effective in transforming the next-gen leaders. These include cognitive readiness skills and emotional and social intelligence competencies, which are crucial in leading the team and organization in a highly disruptive and increasingly VUCA-driven business environment that underpins the IR 4.0.

Keywords: Cognitive Readiness; Emotional and Social Intelligence, Generation Leaders; High Potentials; Industrial Revolution 4.0, Leadership Competencies, Leadership Pipeline; Leading for the Future, Next Leadership; Situational Leadership Styles; and VUCA.

INTRODUCTION: THE NEW REALITIES

Today's turbulent business environment demands that individuals and organizations perform at higher levels and with greater speed than at any time in the past. Organizational leaders and team members alike must place a new emphasis on developing an open and trust-based relationship that will lead toward the development of a positive organizational climate and organizational success.

The global environment is increasing the degree of complexity for organizations operating anywhere in the world. With it arises the need for a different kind of inquiry operating within our lives and organizations. The requirement for greater openness to uncertainty will challenge our sense of purpose, identity, and self-efficacy.

Too often in times of turbulence, including in a disruptive, VUCA-centric world, the temptation is to "batten down the hatches" and seek safety by focusing on what can be controlled. Typically that means turning inward and acting "defensively" to avoid damage and minimize risk. Caution and prudence, like most other leadership behaviors, are useful only in conjunction with the exercise of good judgment. In stressful circumstances, leaders need to remember that not all risks are bad, not all opportunities for growth disappear, and abroad, externally focused perspective is more important than ever.

Leaders are facing the almost overwhelming task of restoring confidence and respect in leadership and business. They are being called upon to guide organizations through times of turbulence and uncertainty, to show the way forward and to set an example. And all this in the face of an increasingly disruptive global economy and in a climate of cynicism and mistrust—tough economic and political circumstances by any standards.

Aligning people is about generating awareness and understanding of the differences between individuals in the way they prefer to work and the way they make decisions or manage relationships. By creating a common understanding, a common sense of purpose and a shared commitment to action evolves.

Organizations need leaders who are able to envision the future, motivate, inspire, and engage the employees as well as able to adapt to changing needs of both the internal and external stakeholders.

In essence, the heart of the leadership challenge that confronts today's leaders is learning how to lead in situations of ever greater volatility and uncertainty in a globalized business environment, allied with the needs to deal with scale, complexity, and new organizational forms that often break with the traditional organizational models and structures within which many have learned their "leadership trade" (Bawany, 2015).

LEADERSHIP IS A FACET OF MANAGEMENT

Leadership and management are two notions that are often used interchangeably. However, these words actually describe two different concepts. We shall discuss these differences and explain why both terms are thought to be similar.

With dramatic changes in the business landscape today, organizations must embrace, adapt, and respond quickly to change and this reality calls for a new paradigm of leadership. One of the biggest challenges that leaders face is to evolve to a new mindset that relies on strategic and critical thinking skills along with emotional

and social intelligence competencies. This is the hallmark of High-Performance Leaders, which requires a move from transactional management to transformational leadership in engaging the various stakeholders toward organizational success.

Management and leadership are both important, but it is often difficult for leaders to focus on both dimensions of their job. Traditional management is needed to meet current obligations to customers, shareholders, employees, and others. The problem is that too many people are doing management, two few providing leadership, and fewer still who have integrated the skills and qualities needed for meeting both leadership and management challenges.

Jack Welch, the legendary former Chairman & CEO of General Electric, is one of the best-known examples of a business leader who combines good management and effective leadership. He understands and practices good management such as cost control but is a master leader, actively promoting change and communicating a vision resulting in GE being consistently one of the most successful Fortune 500 organizations throughout his tenure.

The primary aim of a manager is to maximize the output of the organization through administrative implementation. To achieve this, managers must undertake the following functions:

1. organization
2. planning
3. staffing
4. leading
5. controlling

Leadership is an important component of the management function. A manager cannot just be a leader; he also needs formal authority to be effective. For any organizational initiative to take hold, senior management must be involved and act as a role model. This involvement cannot be delegated.

Managers think incrementally, while leaders think radically. Managers do things right; going by the book and adhering to company policy, while leaders do the right thing; seeking out the truth and make decisions based on fact, not prejudice. Oftentimes they stand out by being different—questioning assumption and have a preference for innovation.

Warren Bennis further explicated a dichotomy between managers and leaders. He drew 12 distinctions between the two groups (Bennis, 1989):

1. Managers administer, leaders innovate
2. Managers ask how and when leaders ask what and why
3. Managers focus on systems, leaders focus on people
4. Managers do things right, leaders do the right things
5. Managers maintain, leaders develop
6. Managers rely on control, leaders inspire trust
7. Managers have a short-term perspective, leaders have a longer-term perspective
8. Managers accept the status quo, leaders challenge the status quo
9. Managers have an eye on the bottom line, leaders have an eye on the horizon
10. Managers imitate, leaders originate
11. Managers emulate the classic good soldier, leaders are their own person
12. Managers copy, leaders show originality

DEVELOPING THE NEXTGEN LEADERSHIP PIPELINE

Leading in a world that is highly disruptive as well as Volatile, Uncertain, Complex, and Ambiguous (VUCA) not only provides a challenging environment for leaders to operate and for executive development programs to have an impact, but it also provides a much-needed range of new competencies. The new reality is resulting in the realization that new and different capabilities are needed to succeed (Bawany, 2016).

Leading organizations continuously asked where their future or next generation (next-gen) of leaders will come from. It would seem that the same approach has been implemented for a long time, which includes identifying high-potential talents within the workforce and provide them with the relevant leadership development opportunities so as to equip them with critical leadership skills and competencies that would be required to drive the organization strategy. Given the daunting challenges that these future leaders will have to resolve to result from the ongoing highly disruptive and VUCA-driven environment, there is a need for organizations to continuously reassess their approach toward ensuring the development of the right set of skills and competencies for their next-gen leaders.

Talent management represents an organization's efforts to attract, develop, and retain skilled and valuable employees. Its goal is to have people with the capabilities and commitment needed for current and future organizational success. An organization's talent pool, particularly its managerial talent, is often referred to as the leadership pipeline (Conger and Fulmer, 2003).

Developing the next generation of leaders involves building a sustainable leadership pipeline for the organization. Ram Charan introduced the image of a leadership "pipeline" and asserted that, if whatever is flowing through it gets stuck, the pipeline will not deliver the resource it contains (Charan, Drotter, and Noel, 2000). Where the pipeline shifts direction, things can easily get stuck. It is the task of managers who lead to help those who get stuck to move on (up or out) and make room for others.

Broadly speaking, high potentials are the pool of future or next-generation leaders of the organization. High-potential talent is often viewed as an employee who is assessed as having the ability, organizational commitment, aligned to the organization's values, and to have demonstrated the competencies and skills as well as the

motivation to rise to and succeed in more senior positions in the organization. Each organization will have their own definitions of high-potential talent, but in essence, the process and criteria for assessment and identification of high potentials are quite similar between organizations.

A robust leadership pipeline is critical to driving strategy and growth so organizations may achieve their goals. But, while many organizations have devoted considerable resources to the development of these next generation or future leaders, few have a readily available pool of these leaders who are ready to take on greater responsibilities and to meet the daunting challenges of the future. While the severity of the issue varies among organizations and industries, it's clear throughout the business world that the demand for these future leaders is greater than supply and as a result, many organizations face a shortage of leadership talent. The complexity and fast-changing nature of the global economy have created the demand for new leadership mindsets, skills, and capabilities. With the failure of leadership development programs to sufficiently quickly develop people to fill the new and changing roles required for success, many organizations are in a predicament and their long-term sustainability is in question.

Having a robust leadership pipeline remains one of the critical talent management issues facing organizations around the world operating in a VUCA business environment as this would contribute toward the development of a sustainable competitive advantage of the organization. This is achieved by cultivating emerging talent early while enhancing organizational capability. Developing a leadership pipeline starts with identifying and then transforming high-potential individuals to a variety of developmental opportunities and experiences (Bawany, 2014).

Organizations are facing unprecedented new leadership challenges, including developing different generations of leaders likely to be from Gen Y or Millennials,

meeting the demand for leaders with global fluency and flexibility, building the ability to innovate and inspire others to perform, and acquiring new levels of understanding of rapidly changing and emerging technologies and new disciplines and fields. As experienced leaders, managers, and professionals continue to leave an organization, their intellectual capital and tacit knowledge, unless codified, will be lost, creating tremendous challenges at a time when the market is growing more global and dynamic. This translates to tougher competition in the marketplace, making the search for high-potential people externally more difficult and future success more elusive. Further, there is a sense of urgency for organizations today to accelerate the time to competence, which compounds the challenge of building a strong leadership pipeline from within.

The leadership development training programs may be strengthened, broadened, and deepened to include inspiring and engaging others, as well as cognitive readiness skills and emotional and social intelligence competencies. These capabilities can be addressed by incorporating specific activities and exercises designed to increase awareness of their impact and importance in familiar techniques, such as case studies or applicable business simulations.

Additionally, opportunities for application and practice can be provided in experience-based approaches where participants work to apply the concepts and skills directly to real business issues, while colleagues and facilitators provide feedback based on behaviors they observed during their work together.

We are operating in a hypercompetitive VUCA business environment. The world moves faster today when compared to 20 years ago. Companies feel the pressure to decrease time to market and improve the quality of products while delivering on ever-changing customer expectations to maintain competitive posture—that is, be adaptive and nimble. Driving results in

high-performance organizations (HPOs) is difficult even for companies that have the benefit of dedicated and knowledgeable employees and business leaders to leverage.

From ongoing research by the Centre for Executive Education (CEE), it has been determined that various leadership competencies including cognitive readiness (critical and strategic thinking skills), emotional and social intelligence, managerial coaching and leading team for performance, effective negotiation and conflict management, and cross-cultural communication and diversity management are crucial in deriving results and achieving organizational success in an HPO operating in a highly disruptive and increasingly VUCA-driven business environment. (Bawany, 2016).

The business environment is continually changing, and a leader must respond in kind in the effort toward the development to be an HPO (see Figure 1).

The fundamentals remain that organizations need to continuously deliver service value and build good customer relationships in order to generate sustainable results through their satisfied and loyal customers. Employees being at the forefront of the service delivery chain hold the key to building this satisfied and loyal customer base (see Figure 2).

Employees who are engaged and motivated are instrumental in delivering the required customer service experience for the client, which will result in customer engagement and retention. The level of employee engagement is dependent on the *organizational climate* (sometimes known as corporate climate), which here simply refers to *how employees feel about working in the organization.* Organizational climate is the process of quantifying the *culture* of an organization. It is a set of properties of the work environment, perceived directly or indirectly by the employees, that is assumed to be a major force in influencing employee behavior and engagement.

Figure 1: The High-Performance Organization (HPO) Framework

Results-based Leadership (RBL) Framework

High Performance Organisation (HPO)

Emotional & Social Intelligence

Cognitive Readiness (Mental, Emotional & Interpersonal)

Leading team effectively with SCORE & Managerial Coaching

Effective Negotiation & Conflict Management

Cross Cultural Communication & Diversity Management

Result-Based Leadership (RBL)
(Developing NextGen Leadership Competencies in a VUCA World)

Figure 2: The Results-based Leadership (RBL) Framework

Results-based Leadership (RBL) Framework

05 ORGANISATIONAL RESULTS
- Revenue Growth, Market Share
- Profitability, ROI, ROA, ROCE
- Cost Reduction & Optimisation

04 CUSTOMER ENGAGEMENT
- Customer Engagement Ratio
- Customer Lifetime Value
- Improve Customer Experience

03 EMPLOYEE ENGAGEMENT
- Employee Turnover Ratio
- Employee Engagement Index
- Employee Net Promoter Score (eNPS)

02 ORGANISATIONAL CLIMATE
- High Performance Corporate Culture
- Flexible Policies for Multigenerational Workforce
- Pay for Performance Compensation Philosophy

01 SELF-LEADERSHIP & TEAM EFFECTIVENESS
- Leading in a VUCA Business Environment
- Cognitive Readiness with Emotional & Social Intelligence Competencies
- SCORE High Performance Team

Leaders create, transform, and manage organizational cultures. The leader's values, beliefs, and leadership styles will impact the organization's climate. In a VUCA-driven workplace, "Level 5" (Collins, 2001) leaders are required, who are able to exercise ontological humility and possess emotional mastery including empathy and relationship management skills. They also need to possess essential integrity in discharging their day-to-day role and responsibilities toward engaging the employees.

Managers often fail to appreciate how profoundly the organizational climate can influence financial results. It can account for nearly a third of financial performance. Organizational climate, in turn, is influenced by leadership style and by the way or manner in which the leader motivates direct reports, gathers and uses information, makes decisions, manages change initiatives, and handles crises.

LEADING IN THE IR 4.0

Professor Klaus Schwab, the Founder and Executive Chairman of the World Economic Forum, has published a book entitled *The Fourth Industrial Revolution,* in which he describes how this fourth revolution is fundamentally different from the previous three, which were characterized mainly by advances in technology (Schwab, 2017).

Schwab defines the first three industrial revolutions as the transport and mechanical production revolution of the late eighteenth century; the mass production revolution of the late nineteenth century, and the computer revolution of the 1960s (see Figure 3).

Figure 3: The Evolution of the Industrial Revolution
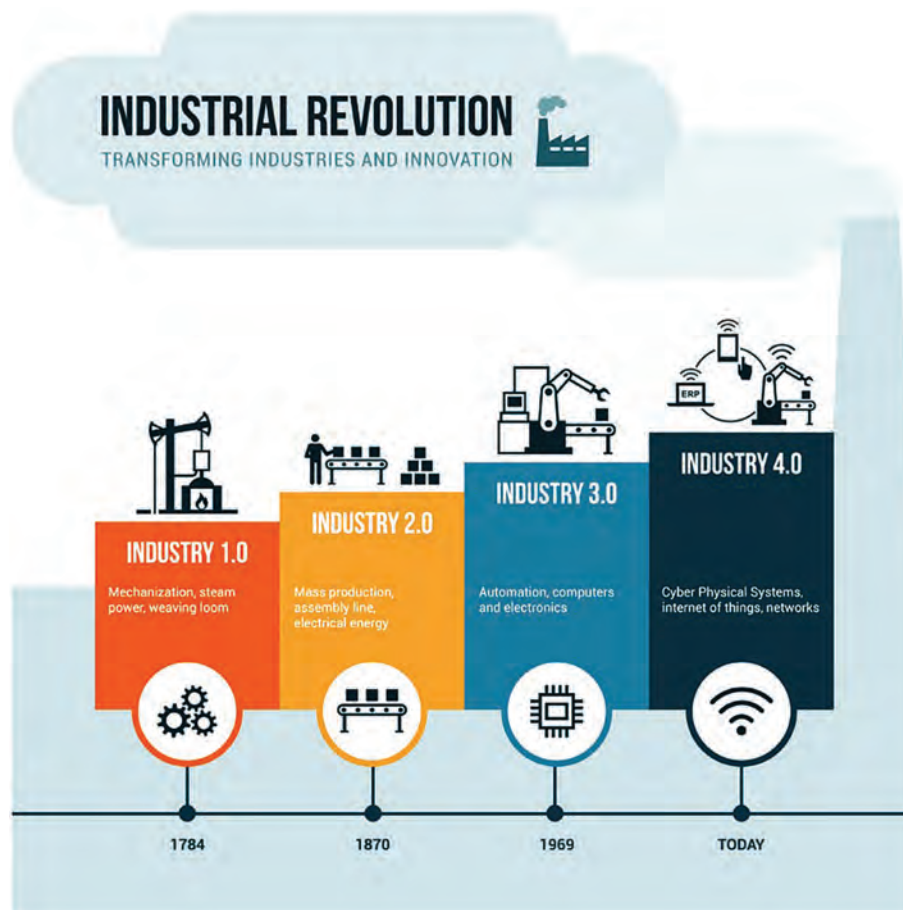
The fourth industrial revolution, or industry 4.0 or IR 4.0, as it is commonly known, represents the combination of cyber-physical systems, the Internet of Things, and the Internet of Systems. In short, it is the idea of smart factories in which machines are augmented with web connectivity and connected to a system that can visualize the entire production chain and make decisions on its own. In this fourth revolution, a range of new technologies will evolve that combine the physical, digital, and biological worlds. These new technologies will impact all disciplines, economies, and industries, and even challenge our ideas about what it means to be human.

Technological innovation is on the brink of fueling momentous change throughout the global economy, generating great benefits and challenges, in equal measure. To thrive in this environment, Schwab argues, public–private research collaborations should increase, and should be structured toward building knowledge and human capital to the benefit of all.

There will be enormous managerial leadership challenges as the impact of technology and the disruption that comes will result in an exogenous force over which leaders would have little or no control at times. However, it is the role of leaders to guide their teams and to be mindful of these forces when making business decisions that would impact on the sustainability of their organizations. They should thus grasp the opportunity and power so as to shape the Fourth Industrial Revolution and direct it toward a future that reflects the organization's values and success.

To do this, however, leaders must develop a comprehensive and globally shared view of how technology is affecting the lives of their employees and at a macro level how it is reshaping the economic, social, cultural, and human environments. There has never been a time of greater promise, or one of greater potential peril. Today's leaders and decision makers, however, are too often trapped in traditional, linear thinking, or too absorbed by the multiple crises demanding their attention, to think strategically about the forces of disruption and innovation shaping their organization's future.

In the end, it all comes down to people and values. Leaders need to shape a future that works for all stakeholders by putting people first and empowering them. In its most pessimistic, dehumanized form, the Fourth Industrial Revolution may indeed have the potential to *robotize* humanity and thus to deprive us of our heart and soul. But as a complement to the best parts of human nature—creativity, empathy, stewardship—it can also lift humanity into a new collective and moral consciousness based on a shared sense of destiny. It is incumbent on us all to make sure the latter prevails.

Leading in industry 4.0 would require the future leaders to be able to adapt to these new technologies and to be able to do so effectively, which means that the next-generation leadership competencies would need to be developed and demonstrated effectively.

Nextgen Leadership Competencies

There are two things we can say with certainty about the future: it will be different, and it will surprise. Now, more than ever, leaders are compelled to navigate unfamiliar, challenging times, a quickening pace of change, increasing expectations, and a rising tide of rapidly evolving conditions. This new and different environment is challenging leaders to find new ways to lead their organizations and achieve sustained success. And, because of these circumstances, there is a thirst for a pool of future leaders to be developed with the relevant next-gen leadership skills and competencies and skills so as to enable them to seize the opportunities as well as manage the daunting challenges evolved as a result of this *new normal* business environment ((Hagemann and Bawany, 2016b).

The rapidly evolving demands of the twenty-first century include everything from climate change to demography, shifting customer requirements and expectations, the rise of technology, globalization, new markets, and new attitudes to work. Leaders must now operate in a way that inspires and engages people, while simultaneously addressing changing customer requirements and delivering results. Finally, all of this needs to be achieved with a sense of urgency, as the experienced leaders of the *Baby Boomer* generation continue to retire at pace.

These diverse and escalating demands on leaders are reflected in the *2016-2017 Trends in Executive Development: A Benchmark Report* published by Executive Development Associates, Inc. (EDA). The wide-ranging and in-depth assessment is based on survey results from 466 organizations worldwide, with contributions from presidents, senior vice-presidents, chief learning officers, and heads of executive and leadership development (Hagemann and Bawany, 2016a).

It is evident that conventional leadership development practices are no longer adequate. Organizations globally need to incorporate the next generation leadership competencies in order to address the development needs of their rising leaders. This expanded group of upcoming leaders need to have a broader skillset, one that equips them to think and act globally in a VUCA business environment. They must do so while embracing cross-cultural diversity and cultivating collaborative relationships within and outside their walls. These are the hallmarks of the mindset needed to develop effective next-gen global leaders.

In the 2016-2017 report, the ability to create a vision and engage others is reported as the competency most lacking in next generation leaders. This is consistent with the findings from the EDA 2014-2015 Executive Development Trends survey.

In response to the question

As you look down in the organization at the next generation of leadership talent (the ones who are most likely to fill executive level positions in the next 3 to 5 years), what capabilities, skills, knowledge, attitudes, competencies, etc. are most lacking?

the results show that emerging leaders are struggling with the ability to create a vision, hire and retain the right talent and inspire them to achieve the desired business results. This is an especially concerning challenge for organizations as they struggle to compete in a VUCA environment where employee buy-in and engagement is crucial to their sustainability and future success. For the details of the next-gen leadership competencies, please see Table 1 (Hagemann, B., and S. Bawany. February, 2016a).

The next generation leadership competencies will include the suite of cognitive readiness skills, which can be viewed as part of the advanced thinking skills that make leaders ready to confront whatever new and complex problems they might face. Cognitive readiness is the mental preparation that leaders develop so that they, and their teams, are prepared to face the ongoing dynamic, ill-defined, and unpredictable challenges in the highly disruptive and VUCA-driven business environment.

The Executive Development Associates (EDA) has identified the following seven key cognitive readiness skills, collectively known as Paragon 7 (see Figure 4), which develop, enhance, or sustain a leader's ability to navigate successfully in this *new normal*.

1. **Mental Cognition**: Recognize and regulate your thoughts and emotions
2. **Attentional Control**: Manage and focus your attention
3. **Sensemaking:** Connect the dots and see the bigger picture
4. **Intuition:** Check your gut, but don't let it rule your mind
5. **Problem Solving**: Use analytical and creative methods to resolve a challenge
6. **Adaptability:** Be willing and able to change, with shifting conditions
7. **Communication:** Inspire others to action; Create fluid communication pathways

Table 1: Competencies for the Next Generation of Leaders

2016/2017	2014/2015	2012/2013	2010/2011
1. Ability to create a vision and engage others around it (31.5%)	1	2	3
2. Ability to attract, develop, and retain the quality of talent needed to achieve the business objectives (28.8%)	3		
3. Ability to inspire (25.0%)			4
4. Ability to deliver results/results-oriented (23.6%)			
5. Ability to manage the stress and demands of a real-time overloaded leadership environment (19.5%)			
6. Cooperates and collaborates with other parts of the business to optimize the operations of our business, and to leverage our collective capabilities in the marketplace to identify and serve customers/clients better than competition		3	
7. Critical thinking	2	1	
8. Inspirational leadership: creating vision, enrolling and empowering others	4		
9. Leadership		4	
10. Leading change			2
11. Leading through change	5		
12. Strategic thinking			1
13. Understands the total enterprise, how the different parts work together to leverage their collective capabilities to serve customers/clients better than the competition 21.8%)		5	5

Figure 4: Paragon 7 Cognitive Readiness Competencies

The detailed descriptors of these competencies can be found in the article by the same author entitled "Leading in a Disruptive VUCA World" (Bawany, 2018).

Overall, heightened cognitive readiness allows leaders to maintain a better sense of self-control in stressful situations.

EMOTIONAL AND SOCIAL INTELLIGENCE COMPETENCIES

The next crucial next-gen leadership competency is that of emotional and social intelligence. Emotional intelligence has become a major topic of interest in organizations since the publication of a bestseller by the same name in 1995 by Daniel Goleman (Goleman, 1995). The early definitions of social intelligence influenced the way emotional intelligence was later conceptualized. Contemporary theorists like Peter Salovey and John Mayer originally viewed emotional intelligence as part of social intelligence (Salovey and Mayer, 1990), which suggests that both concepts are related and may, in all likelihood, represent interrelated components of the same construct.

Because individuals in organizations can rarely be successful alone, they must influence, lead, and coordinate their efforts with others in order to achieve their goals—to translate vision into action. A leader's success rests in large part upon his or her ability to influence the different groups he or she must relate to in the organization: the superiors, peers, and direct reports.

In 1998, in *Working with Emotional Intelligence*, author Daniel Goleman set out a framework of emotional intelligence (EI) that reflects how an individual's potential for mastering the skills of *Self-Awareness, Self-Management, Social Awareness, and Relationship Management* translates into on-the-job success for a leader. This model is based on EI competencies that have been identified in extensive published research on hundreds of corporations and organizations as distinguishing outstanding performers (Goleman, 1998).

An emotional competence is defined as "a learned capability based on emotional intelligence that results in outstanding performance at work" (Goleman, 1998). To be adept at an emotional competence like Customer Service or Conflict Management requires an underlying ability in EI fundamentals, specifically Social Awareness and Relationship Management. However, emotional competencies are learned abilities: having Social Awareness or skill at managing relationship does not guarantee we have mastered the additional learning required to handle a customer adeptly or to resolve a conflict—just that a leader has the potential to become skilled at these competencies.

Emotional competencies are job skills that can, and indeed must, be learned. An underlying EI ability is necessary, though not sufficient, to manifest competence in any one of the four EI domains, or clusters.

The competencies are classified into four clusters of general EI abilities:

1. *Self-awareness*
2. *Self-management*
3. *Social awareness and*
4. *Relationship management*

Nested within each of those four areas are specific, learned competencies that set the best leaders and performers apart from the average.

The framework illustrates, for example, that we cannot demonstrate the competencies of trustworthiness and conscientiousness without mastery of the fundamental ability of Self-Management or the Competencies of Influence, Communication, Conflict Management, and so on without a handle on Managing Relationships.

Self-Awareness concerns knowing one's internal states, preferences, resources, and intuitions. The Self-Awareness cluster contains three competencies:

a. **Emotional Self-Awareness:** Recognizing one's emotions and their effects.

b. **Accurate Self-Assessment**: Knowing one's strengths and limits.
c. **Self-Confidence**: A strong sense of one's self-worth and capabilities.

Self-Management refers to managing one's internal states, impulses, and resources. The Self-Management cluster contains six competencies:

a. **Emotional Self-Control:** Keeping disruptive emotions and impulses in check
b. **Transparency**: Maintaining integrity, acting congruently with one's values.
c. **Adaptability:** Flexibility in handling change.
d. **Achievement:** Striving to improve or meeting a standard of excellence.
e. **Initiative:** Readiness to act on opportunities.
f. **Optimism:** Persistence in pursuing goals despite obstacles and setbacks.

Social Awareness refers to how people handle relationships and awareness of others' feelings, needs, and concerns. The Social Awareness cluster contains three competencies:

a. **Empathy:** Sensing others' feelings and perspectives and taking an active interest in their concerns.
b. **Organizational Awareness:** Reading a group's emotional currents and power relationships.
c. **Service Orientation:** Anticipating, recognizing, and meeting customers' needs.

Relationship Management concerns the skill or adeptness at inducing desirable responses in others. The Relationship Management cluster contains six competencies:

a. **Developing Others**: Sensing others' development needs and bolstering their abilities.
b. **Inspirational Leadership**: Inspiring and guiding individuals and groups.
c. **Change Catalyst**: Initiating or managing change.

d. **Influence**: Wielding effective tactics for persuasion.
e. **Conflict Management**: Negotiating and resolving disagreements.
f. **Teamwork & Collaboration**: Working with others toward shared goals. Creating group synergy in pursuing collective goals.

IMPORTANCE OF EMPATHY AS A LEADERSHIP COMPETENCY

Many leaders and managers vaguely understand the impact empathy has on leadership effectiveness. One of the reasons, we have found out, is that very few of them have been trained or taught how to cultivate empathy in their lives and work as a daily practice (Bawany, 2017).

The empathetic leader put themselves in their followers' shoes and attempt to see things from their perspective. Empathy doesn't mean agreeing with someone. Empathy is not sympathy. Empathy doesn't mean telling them that they are right, or even addressing their concern. Demonstrating empathy shows that you care enough to give someone else's issue the same level of respect and attention they do.

Empathy can be simply defined as the ability to be aware of and understand how others feel. It is a key component of people-oriented and participative leadership. This would include being sensitive to the feelings, concerns, and needs of the coworkers and is able to see the world from their perspective.

Empathy can also be seen as demonstrating an active concern for people and their needs by forming close and supportive relationships with others. Leaders who lack empathy may be perceived by others as cold, uncaring, and having little interest in them as people. Leaders who score high on this competency work to develop close bonds with others. They spend time getting to know people and are able to give their colleagues the feeling that they are personally involved with them. They tend

to emphasize the importance of being generous and kind and displaying a sincere interest in the well-being of others. If carried to extremes, however, this closeness may cloud a leader's objectivity and result in decisions that do not properly consider the organization's best interests. Hence it would be crucial for the leader to bear in mind the saying "Familiarity breeds contempt."

CONCLUSION

To develop the next generation of leaders, it is evident that conventional leadership development practices are no longer adequate. Organizations globally need to incorporate the relevant leadership competencies in order to address the development needs of their rising leaders. This expanded group of upcoming leaders need to have a broader skill set, one that equips them to think and act globally in a highly disruptive and increasingly VUCA-driven business environment. They must do so while embracing cross-cultural diversity and cultivating collaborative relationships within and outside their walls. These are the hallmarks of the mindset needed to develop effective next-gen global leaders.

Organizations would need to incorporate a different form of development activities for their next generation of leaders, which are likely to include executive coaching, mentoring and developmental job, and stretch assignments. Other development activities include psychometric assessments and managerial coaching and performance feedback, and customized training programs developed by internal staff. All of these activities have strong developmental value as components of an overall executive leadership development strategy. Additionally, the organization needs to ensure that these leaders are also equipped with the cognitive readiness skills and emotional and social intelligence competencies needed for sustained success and effectiveness in a VUCA environment.

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